

Office Memorandum • UNITED STATES GOVERNMENT

TO : Lawrence R. Houston

DATE: 1 February 1952

FROM :

OGC Has Reviewed

SUBJECT: Memorandum of Request to Deputy Director (Administration)
Requesting Additional Procurement Authority During the
Period of a National Emergency

1. I am attaching hereto the proposed memorandum from Chief of Procurement to DD/A for additional procurement authority determined to be necessary during periods of national emergency and memorandum of 29 January 1952 from Chief of Procurement to you indicating that the matter has been discussed with me.

2. As previously related to you, I feel that there are certain problems in Procurement which could be eliminated by a grant of the procurement authority requested. It is the intention of the Chief of Procurement to authorize procurement under 2(c)(1) of the Armed Services Procurement Act only in those circumstances where he personally feels it to be warranted. Hence, the supervision and control to be exercised will be held at the Chief of Procurement level and not redelegated. Quite often, the only authority that can be pointed to is paragraph 2(c)(10) of the Act which authorizes the negotiation of contracts where it is impracticable to secure competition. It is apparent that the use of this negotiation authority is difficult to circumscribe and is subject to abuse because of circumstances which are characterized by some urgency. This section of the Act is the least desirable and the one most subject to review by the General Accounting Office. Ordinarily, 2(c)(10) equates to sole sources of supply, proprietary items because of patent rights, secret processes, etc. 2(c)(10) is the residual clause which is used when other clauses are not considered to be appropriate.

3. I believe that some phases of Agency procurement can be related to Section 2(c)(1) in the same manner which Air Force, Army, and other procuring agencies have related their procurement to the national emergency.

4. Since it is not proposed to use the subject authority where existing regulations are adequate, I believe that the Chief of Procurement should be delegated the authority to act in those situations where the procurement is, or can be, related to the national emergency.

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OGC/JBK:imm
Distribution-

Assistant General Counsel

Orig - Add

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Enclosures - Memo fr Chief, Procurement to DD/A dated 24 Jan 1952 - orig. to
Memo fr Chief, Procurement to OGC dated 29 Jan 1952

ADDJA
2/27/52